



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Required Report - public distribution

Date: 12/1/2000

GAIN Report #MY0061

## Malaysia

### Oilseeds and Products

### Oilseeds and Products Update (Nov)

**2000**

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#### **Report Highlights:**

**Malaysia's CPO production rose 7 percent to 1.2 MMT in October, 2000. With a strong recovery in yields, Post revised forecast for 2000/01 CPO output to 11.3 MMT. Local CPO prices recovered after hitting a 7-year low in mid-October. PO exports soared to 1.0 MMT in October, a historical record for a single month.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Kuala Lumpur [MY1], MY

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## **Executive Summary**

### **Production**

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production in October, 2000 rose 6.7 percent to 1.2 MMT. Output in the Peninsula increased by 3.6 percent while East Malaysia's production rose 12 percent. Compared to October 1999, output during October 2000 was 7 percent higher. The palms are showing a stronger-than-expected recovery from biological stress since the month of September. Consequently, Post has increased the forecast for CPO output during the Oct - Dec quarter to 3.25 MMT and the forecast for 2000/01 upwards to 11.3 MMT.

### **Price**

Local CPO prices recovered after hitting a 7-year low in mid-October. Overall, the average November CPO price rose 6 percent from US\$202/MT in October to US\$213/MT in November. For comparison, the average CPO price for November, 1999 was US\$316/MT. RBD Palm Oil FOB average price also rose from US\$218/MT in October to \$231/MT in November. Anticipated strong demand from overseas should lend some support to the local palm oil prices in the coming months.

### **Stocks**

Despite a hefty increase in PO exports, higher CPO production contributed to a three percent increase in the stock level at the end of October. With a revised increase in CPO production for the Oct - Dec quarter, the stock level is now expected to rise to 1.45 MMT by the end of 2000.

### **Trade**

Foreign buyers took advantage of depressed PO prices and PO exports soared from 790 TMT in September to 1.0 MMT in October, a historical record for a single month.

**Annual Situation (Oct/Sep):**

The significant upwards revision in Post's forecast for CPO output during 2000/01 to 11.3 MMT reflects the strong recovery from biological stress. Other factors include an increase of fruit bearing area as well as fully matured hectare equivalent (MHE), optimum application of fertilizers during 1999 and fair weather conditions during the past twelve months. Post now expects yield /MHE to increase from 6.07MT/ha in 1999/2000 to 6.41/MT in 2000/01.

	Revised 1998/99	Prelim 1999/2000	Forecast 2000/2001
(1,000 tons)			
Beg Stock	719	1208	1368
Production	9,758	10,491	11,300
Imports	142	73	100
Total Supply	10,619	11,772	12,768
Exports	7,952	8,736	9,500
Domestic Use	1,459	1,668	1,818
Ending Stock	1,208	1,368	1,450

**Quarterly Outlook For Palm Oil:**

	1999 1/	2000 2/	1999 1/	2000 2/
	Jul-Sep	Jul-Sep	Oct-Dec	Oct-Dec
Beg Stocks 3/	1049	1036	1208	1368
Prod- East Mal	870	937	938	1055
- Pen. Mal	2103	1971	2005	2195
- Total	2973	2908	2943	3250
Imports	91	25	22	20
Total Supply	4113	3969	4173	4638
Exports 4/	2433	2186	2520	2700
Dom Disap 5/	472	415	477	488
End Stocks	1208	1368	1176	1450

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate  
and all intra-Malaysia trade;

5/ residual

**Production:**

	1999	1999	2000	2000
	Oct	Jan-Oct	Oct	Jan-Oct
(In 1,000 MT)				
CPO:				
Pen. Malaysia	718	6141	739	5919
East Malaysia	330	2517	443	2810
- Total 1/	1048	8658	1182	8729
Palm Kernel : Malaysia	301	2476	341	2570
Palm Kernel Oil: Malaysia	133	1086	139	1124
Palm Kernel Meal: Malaysia	160	1321	163	1327

1/ Totals may not add due to rounding differences.  
Includes some revisions in previous months.

**Prices:**

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Dec 99	1196	331	363	260
Jan 2000	1157	318	344	244
Feb	1075	304	328	237
Mar	1119	319	333	248
Apr	1227	344	363	273
May	1103	307	328	246
June	1053	291	309	239
July	1016	280	302	221
Aug	984	275	294	222
Sep	924	260	279	200
Oct 1/	768	218	246	146
Nov (till 28th)	810	231	251	190

1/ revised

Exchange Rate (Nov 30, 2000): US\$1.00 = RM3.799

**Stocks:**

	1999	2000	2000	2000
	Oct	Aug	Sep	Oct
(In 1,000 MT)				
Crude P. Oil	688	660	841	891
Processed PO	546	533	526	516
- Total PO	1234	1193	1367	1407
Palm Kernel	99	101	133	163
P. Kernel Oil	113	164	175	189